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TRADE AND DEVELOPMENT BOARD

Eighth Special Session

SUMMARY RECORD OF THE 464TH MEETING

held at the Palais des Nations, Geneva,
on Wednesday, 4 May 1977, at 4.50 p.m.

President: Mr. LACHENALT (Sweden)

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OTHER BUSINESS (agenda item 4):

Draft decision submitted by the tungsten-producing countries at the tenth session of the Committee on Tungsten (TD/B/L.469 and Add.1)

1. Mr. BERTHOUD (Director, Division for Conference Affairs and External Relations), introducing the draft decision on tungsten and its financial implications (TD/B/L.469 and Add.1), said it was proposed that the ad hoc intergovernmental group of experts on tungsten should hold its first session, if possible, in July 1977, but the actual intention of the sponsors of the draft resolution was that the group should meet three times in the period up to the beginning of 1978.

2. The problem of documentation, the frequent delay in the distribution of documents and the difficulties faced by the secretariat in coping with the many tasks arising from UNCTAD's heavy calendar of meetings had already been fully commented on. There was therefore no need to stress what the consequences of adding the five or six meetings provided for in the draft decision under consideration would be.

3. The secretariat suggested that the first session of the group of experts should be convened from 18 to 22 July 1977, using a week which had been included in the 1977 calendar, with no specific date, for a session of the Committee on Tungsten. For subsequent meetings (second and third sessions of the group of experts, the special session of the Committee on Tungsten and a special session of the Trade and Development Board), the secretariat suggested that the exact dates should be fixed by the Board at its seventeenth session, in September 1977, in the light of the decisions taken by the Ad hoc Intergovernmental Committee for the Integrated Programme for Commodities in the course of the summer with regard to all the meetings on commodities.

4. Mr. BRILLANTES (Philippines) inquired whether the Board's session to be held prior to April 1978 would be a resumption of its seventeenth session or a special session.

5. Mr. BERTHOUD (Director, Division for Conference Affairs and External Relations) said that it would be for the Board to decide, at its seventeenth session, whether to adjourn the session and to resume it in the spring of 1978 or to hold a special session devoted to tungsten.

6. Mr. BRILLANTES (Philippines) observed that it would be difficult for the Board to take such a decision at its seventeenth session, i.e. in September 1977, as it would not then have the report of the Group of Experts on the work of its first session, which was expected to be submitted only in early 1978.

7. The PRESIDENT said that, in the absence of objection, he would take it that the Board adopted the draft decision on tungsten, having taken note of the financial implications.

8. It was so decided.

REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF THE INTERNATIONAL DEVELOPMENT STRATEGY, THE DECLARATION AND THE PROGRAMME OF ACTION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER, THE CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES, AND GENERAL ASSEMBLY RESOLUTION 3362 (S-VII) ON DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (agenda item 2) (continued) (TD/B/642 and Add.1 and 2, TD/B/646; TD/B/L.466 and Corr. 1, 467, 468 and 470).

9. Mr. OREIBI (Libyan Arab Jamahiriya) said that his delegation had some reservations concerning the documents submitted by the secretariat under the agenda item (TD/B/642 and Add.1 and 2), with respect to the analysis therein of a situation which was nevertheless clear: the failure of international action in favour of the developing countries. An objective and factual appraisal should have been made of the performance of industrialized countries, instead of concentrating on side issues and constantly referring, rather naively, to unforeseen shocks, not to mention wrong reasons to explain the failure.

10. The reports by the Secretary-General of UNCTAD were based on gratuitous assertions, distorted statistics and sweeping generalizations which led to faulty conclusions. In paragraph 34 of document TD/B/642, it was stated that the year 1973 had been a turning point and that, of the deterioration in the trade balance of the developing countries of $20 billion a year, petroleum accounted for $8 billion, while $12 millions was due to the recession and inflation in the developed countries. It was obvious that at least part of the inflation had been due to events described as "unforseen" in the report and the final results of that reasoning could easily be drawn.

11. The secretariat indulged, moreover in a dubious comparison of the growth rates of the oil-exporting developing countries and those of other developing countries, as if the present session of the Board was held to highlight that difference.

12. The oil-exporting developing countries were making great efforts to share their new wealth with other developing countries, as could be seen from the high proportion of their GNP which they devoted to aid: 3.5 per cent in the case of his country and double that figure in the case of certain other countries. The documents submitted by the Secretary-General of UNCTAD simply mentioned an average rate of 1.35 per cent for all the oil-producing countries taken together, whereas in fact some of them were not aid recipients. In addition, reference was repeatedly made, particularly in document TD/B/642/Add.1, to the geographic concentration of the aid given by the countries members of the Organization of Petroleum Exporting Countries (OPEC). Yet almost all the least developed countries were situated in the same areas so that no aid was not geographically and politically concentrated.

13. The Secretary-General of UNCTAD had also made use of generalizations and vague concepts in connexion with the development of a new strategy, although the problems of commodities, the transfer of technology and indebtedness had still not been solved. It seemed that commodities, which had been regarded as an essential component of the new international economic order, were no longer of any importance

in the new strategy and that national development policies of developing countries should now be the focus. It was not, however, by examining the shortcomings of those policies that the true reasons for the failure of the Strategy would be discovered. The social policies of the developing countries and what had been called "their basic needs" were concepts which were too vague to serve as a basis for a new Strategy. The secretariat had stressed the need for a reorientation of the development policies of the developing countries, but it was surely inconceivable that those countries were not doing their utmost to promote their expansion? Those were, moreover, questions of a purely internal character.

14. The new development strategy should also be based on the existence in the third world of investable surpluses and the Secretary-General of UNCTAD had suggested that new mechanisms should be created for that purpose, without mentioning the development banks and funds which already existed.

15. His delegation therefore reserved its position on the documents submitted by the Secretary-General of UNCTAD under agenda item 2.

ADOPTION OF THE REPORT OF THE BOARD ON ITS EIGHTH SPECIAL SESSION (agenda item 5) (TD/B/L.471 and Add.1, 2 and 3)

16. In the absence of the Rapporteur, Mr. Muliro (Kenya), the PRESIDENT introduced the draft report of the Board on its eighth special session (TD/B/L.471 and Add.1, 2 and 3).

Document TD/B/L.471

17. Document TD/B/L.471 was adopted.

Document TD/B/L.471/Add.1

Paragraph 20

18. Mr. LYDON (Secretariat) pointed out that, in the seventh and eighth lines, the words "and the fourth session of the Conference itself" should be deleted.

19. Paragraph 20, thus corrected, was adopted.

Paragraphs 21 to 26

20. Paragraphs 21 to 26 were adopted.

Paragraph 27

21. Mr. JODKO (Poland) proposed that the word "noted" in the fifth line should be replaced by "considered".

22. Paragraph 27, thus amended, was adopted.

Paragraphs 28 to 31

23. Paragraphs 28 to 31 were adopted.

Paragraph 32

24. Mr. MODA (India) proposed that the following sentence should be added at the end of the paragraph: 'In either case he thought that the important point was to take account of the irreversible need for the developing countries to derive strong support from modifications in the commodity trade for their accelerated development.'

25. Paragraph 32, thus amended, was adopted.

Paragraphs 33 to 35

26. Paragraphs 33 to 35 were adopted.

27. Document TD/B/AC.1/AIV/L.2, as corrected, was adopted.

Document TD/B/AC.1/AIV/L.3

Paragraph 15

28. Paragraph 15 was adopted.

Paragraph 16

29. Mr. MODA (India) proposed that the second sentence should be replaced by the following: 'The representative of one developing country drew attention to the recent decision taken by the Georgian Government and urged each developed country to make a specific commitment in regard to its increase it would make annually so as to get as close to the target as possible by the end of the decade and augment available development finance for promoting the pace of growth especially of the low-income countries which were lagging far behind in the achievement of the targets envisaged in the Second Annual Development Strategy.'

30. Paragraph 16, thus amended, was adopted.

Paragraphs 17 to 19

31. Paragraphs 17 to 19 were adopted.

Paragraph 20

32. Mr. MODA (India) proposed that the words "to this idea" at the end of the paragraph should be replaced by "from implementation of this objective as an important factor in the new international economic order."

33. Paragraph 20, thus amended, was adopted.

Paragraphs 21 to 27

34. Paragraphs 21 to 27 were adopted.

Paragraph 36

36. Mr. [illegible] (Secretariat) said that in line 2 the word "primarily" should be inserted after "focus" and the following words should be added at the end of the paragraph "and achieving a more just and equitable international economic order".

36. Paragraph 36, as corrected, was adopted.

Paragraphs 37 to 39

37. Paragraphs 37 to 39 were adopted.

Document TD/B/[illegible]

38. Document TD/B/[illegible] was adopted.

39. The draft [illegible] was adopted, as orally amended, subject to its completion by the secretariat.

CLOSURE OF THE SESSION

40. The PRESIDENT said that the short time available to the Board for the session had not made the work easy and it was not surprising that it had not been possible to reach agreement on all the issues before the Board, particularly those relating to the review and appraisal of the implementation of the International Development Strategy. In his opinion, it was important to stress not only those points on which all members of the Board were agreed, but also the need for increased efforts to achieve constructive progress at subsequent sessions on those issues which remained unresolved.

41. In its review and appraisal exercise the Board had recognized that the orientation and adaptation of the national policies of both developed and developing countries had not sufficed to attain the aims and objectives of the Strategy and of the resolutions of the sixth and seventh special sessions of the General Assembly. It was clear that the development process during the first seven years of the decade had turned out to be different in several respects from what had been anticipated when the Strategy had been drawn up. It was apparent that there was little prospect that the overall economic growth targets for the 1970s would be attained. It was recognized that the gap between the hopes placed in the Strategy and actual experience was widest in the case of the poorest developing countries which, as a group, had made very little progress in raising their extremely low levels of output per head.

42. The preliminary exchange of views on the form that the revised international development strategy might take, having regard to experience with the existing Strategy, had been useful. With regard to those areas in which negotiations had proved very difficult and where it did not seem possible to negotiate an agreement, he thought that, with an effort, by the Board in particular, to give a new impetus to dialogue and negotiations, the remaining problems might be solved.

43. The declared the eighth special session of the Board closed.

The meeting rose at 1.20 p.m.